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Mexico

Agricultural Situation

Proposal to Harmonize MFN Tariffs & Liberalization of Rules of Origin Under NAFTA.

2004

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Report Highlights:

On February 12, 2004, the Secretariat of Economy (SE) published in Mexico's *Diario Oficial* (Federal Register) the announcement for comments on a possible harmonization of Most Favored Nation (MFN) tariffs between Mexico, the United States and Canada, as well as a possible liberalization of the Rules of Origin under NAFTA.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

Introduction: This report summarizes an official announcement published in Mexico's "*Diario Oficial*" (Federal Register) on February 12, 2004.

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

FAS/Mexico's Executive Summary: On February 12, 2004, the Secretariat of Economy (SE) published in Mexico's *Diario Oficial* (Federal Register) the announcement for comments on a possible harmonization of Most Favored Nation (MFN) tariffs between Mexico, the United States and Canada to determine if such harmonization would reduce export transaction costs thereby improving trade, as well as a possible liberalization of the Rules of Origin under NAFTA.

All interested parties should submit their proposals for the harmonization of MFN tariffs applied to third country products for each NAFTA partner or for the liberalization of NAFTA's Rules of Origin, indicating if such proposals are significantly supported by organizations of the three countries, have been discussed with representatives from the other countries and, if possible, have been the result of such consultations.

Moreover, the announcement encourages interested parties to consider a wide coverage of commodities in their proposals; preferential treatment will be granted to proposals which have the consensus of the domestic productive sector.

Areas for consideration are a lower rate than is currently being applied between any of the three countries or an even lower rate, as well as the harmonization of entire productive sectors or productive chains which includes a wide group of goods.

Applications, comments and proposals, either hardcopy or electronic version, should be addressed to the following address and be received no later than March 13, 2004:

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FAS/Mexico Note: According to official sources this announcement should encourage interested parties from the industrial, manufacturing and computer sectors to submit comments and proposals. Interested parties from the agricultural sector are not expected to contribute in large scale.

Important Dates:

- 1. Publication Date:** February 12, 2004.
- 2. Effective Date:** February 13, 2004.
- 3. Expiration Date:** March 13, 2004.

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Internet Connections

FAS Mexico Web Site: We are available at <http://www.fas-la.org/mexico> or visit FAS headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.economia.gob.mx. These Web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained therein.